

## Message Text

CONFIDENTIAL

PAGE 01 CAIRO 08749 251028Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----251121Z 035980 /13  
R 250916Z MAY 77  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 5405  
INFO AMEMBASSY TEL AVIV

C O N F I D E N T I A L CAIRO 8749

EXDIS

E.O. 11652: GDS  
TAGS: ENRG, PFOR, EG, IS, US  
SUBJECT: AMOCO EXPLORATION IN GULF OF SUEZ

REF: STATE 98457

1. IN CONSIDERING HOW TO MAKE OPTIMUM USE REFERENCE INSTRUCTION, I CONCLUDED IT WAS BEST TO WAIT UNTIL FAHMY RAISED THE MATTER AGAIN. HE WAS BOUND TO DO SO AT SOME POINT OR OTHER, SINCE THE SUBJECT STICKS IN HIS CRAW. PREDICTABLY, LAST SUNDAY IN ALEXANDRIA HE AGAIN CARPED ABOUT OUR INABILITY TO ARRANGE FOR RESUMPTION AMOCO WORK AT 304.1. ALREADY IN A TESTY MOOD FOR OTHER REASONS, HE WAS SHARPLY CRITICAL OF OUR HANDLING OF THIS MATTER. LIKE A BROEKN RECORD, HE REPEATED HIS FREQUENT REFRAIN THAT USG COULD, IF IT WISHES, PRESS ISRAEL TO ALLOW AMOCO TO WORK IN CONCESSION AREAS IN EASTERN GULF.

2. I REMINDED FAHMY OF OUR MANY PREVIOUS DISCUSSIONS OF THE SUBJECT. WE HAVE FULL SYMPATHY FOR EGYPT'S DESIRE TO EXPLOIT OIL RESOURCES OF GULF OF SUEZ IN ORDER TO STRENGTHEN ITS ECONOMY, BUT WE KNOW FROM AMOCO THAT THERE ARE OTHER PROMSIING SITES WEST OR  
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NORTH OF ISRAEL'S MEDIAN LINE WHERE WORK CAN PROFITABLY PROCEED. WE UNDERSTAND THAT AMOCO IS NOT ESPECIALLY INTERESTED IN RETURNING TO 304.1 IN THE FORESEEABLE FUTURE AND IS WORKING AT OTHER SITES. ANY EFFORT BY FAHMY TO PRESS AMOCO TO RETURN TO 304.1 BEFORE SOME SUITABLE ARRANGEMENTS ARE MADE WOULD ONLY RESULT IN STERILE CONFRONTATION

AND DIVERT ATTENTION FROM NEED TO MOVE FORWARD ON ME PEACE FRONT. IN ANY CASE, OUR VIEW CONTINUES TO BE THAT BEST SHORT TERM PRACTICAL SOLUTION IS TO PROCEED ALONG LINES OF AMENDED FOUR POINTS. WE REMAIN READY TO WORK ON THIS BASIS AS SOON AS GOE AGREES.

3. FAHMY DESCRIBED OUR POSITION AS PRESSING GOE TO ACCEPT ISRAELI DICTA. FOUR POINTS, HE INSISTED, WERE NOT DEvised BY US. FORMER SECRETARY KISSINGER HAD SIMPLY ACCEPTED ALLON'S CONDITIONS. ISRAELIS ARE SEEKING ESTABLISH PRINCIPLE THAT GOE MUST REQUEST PERMISSION TO WORK IN EASTER GULF OF SUEZ AND USG IS PLAYING THEIR GAME. I TOLD HIM THIS WAS UNTRUE AND REMINDED HIM OF OUR LEGAL POSITION ON THE MATTER, COPIES OF WHICH WE HAVE GIVEN TO BOTH ISRAEL AND EGYPT. FAHMY RESPONDED THAT THIS MADE IT WORSE. WE PROFESS TO AGREE WITH EGYPTIAN LEGAL POSITION, YET PRESS FOR ACCEPTANCE ISRAELI CONDITIONS.

4. I SAID OUR VIEW ON THIS CLEARLY DIFFERED. WE BELIEVE THAT THE FOUR POINTS, AS AMENDED, ADEQUATELY PROTECT GOE'S LEGAL POSITION AND AFFORD A PRACTICAL MODUS VIVENDI TO RESUME OPERATIONS AT 304.1. THE WERE DEVISED BY US WITH THAT IN MIND. I COULD ONLY SUGGEST THAT IF THERE IS AN ECONOMIC IMPERATIVE IN RESUMING OPERATIONS EAST OF ISRAEL'S SO-CALLED MEDIAN LINE, AS HE CLAIMED IS THE CASE, HE SHOULD EARNESTLY CONSIDER ONCE AGAIN WHETHER GOE'S BEST

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INTEREST MAY NOT BE SERVED BY GOING ALONG WITH OUR PROPOSED PROCEDURE. FAHMY BUSHED THIS ASIDE AS "IMPOSSIBLE."

5. COMMENT: FAHMY IS BITTER ABOUT THIS MATTER, BUT IS NOT LIKELY TO CHANGE HIS POSITION. WE HAVE AGAIN SET FORTH OUR POINT OF VIEW TO HIM. HOWEVER, WE MUST EXPECT THAT THE SUBJECT WILL AGAIN BE RAISED AND NOT JUST ONCE BUT MANY TIMES. I HAVE ALWAYS REPLIED ALONG LINES OUR FOUR POINTS AND, BARRING SOME MAJOR CHANGE IN SITUATION ON THE GROUND, WILL CONTINUE TO DO SO.

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## Message Attributes

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**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**TAGS:** ENRG, PFOR, EG, IS, US, AMOCO, (FAHMY, ISHMAIL)  
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**Review Markings:**  
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